

Exhibit C

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Securites and Exchange Commission v. Ripple Labs, Inc., et al. William Hinman, Jr.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE)
COMMISSION,)
Plaintiff,) Case No.
vs.) 20 CV 10832 (AT)
RIPPLE LABS, INC.; BRADLEY)
GARLINGHOUSE, and CHRISTIAN A.)
LARSEN,)
Defendants.)
-----)

DEPOSITION OF WILLIAM HAROLD HINMAN, JR.

WASHINGTON, D.C.

JULY 27, 2021

REPORTED BY: Tina Alfaro, RPR, CRR, RMR

DIGITAL EVIDENCE GROUP
1730 M Street, NW, Suite 812
Washington, D.C. 20036
(202) 232-0646

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1 Videotaped deposition of WILLIAM HAROLD

2 HINMAN, JR., held at the offices of:

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4 Kellogg Hansen Todd Figel & Frederick

5 1615 M Street, NW

6 Washington, D.C. 20036

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8 Taken pursuant to notice before Tina M.

9 Alfaro, a Notary Public within and for the District

10 of Columbia.

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1 APPEARANCES:

ON BEHALF OF THE PLAINTIFF:

2 SECURITIES AND EXCHANGE COMMISSION

BY: JORGE TENREIRO, ESQ.

3 LADAN STEWART, ESQ.

200 Vesey Street, Suite 400

4 New York, New York 10281

5 and

SECURITIES AND EXCHANGE COMMISSION

6 BY: BRIDGET FITZPATRICK, ESQ.

MELINDA HARDY, ESQ.

7 100 F Street, NE

8 Washington, D.C. 20549

9 and

SIMPSON THACHER

10 BY: MEAGHAN KELLY, ESQ.

PAUL GLUCKOW, ESQ.

11 900 G Street, NW

Washington, D.C. 20001

12

13 ON BEHALF OF RIPPLE LABS:

KELLOGG HANSEN TODD FIGEL & FREDERICK

14 BY: REID FIGEL, ESQ.

ELIANA PFEFFER, ESQ.

15 1615 M Street, NW

Washington, D.C. 20036

16 and

DEBEVOISE & PLIMPTON

17 BY: MICHAEL PISEM, ESQ.

919 Third Avenue

18 New York, New York 10022

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1 APPEARANCES: (cont'd)

2 ON BEHALF OF CHRISTIAN LARSEN:

PAUL WEISS RIFKIND WHARTON & GARRISON

3 BY: MARTIN FLUMENBAUM, ESQ.

SARAH PROSTKO, ESQ.

4 CARLY LaGROTTERIA (remote)

1285 Avenue of the Americas

5 New York, New York 10019

6

7 ON BEHALF OF BRADLEY GARLINGHOUSE:

CLEARY GOTTlieb STEEN & HAMILTON

8 BY: MATTHEW SOLOMON, ESQ

NICOLE TATZ, ESQ.

9 JORGE LOPEZ, ESQ. (remote)

NOWELL BAMBERGER, ESQ. (remote)

10 2112 Pennsylvania Avenue, NW

11 Washington, D.C. 20037

12

13 ALSO PRESENT: Stu Alderoty (Ripple Labs)

14 Deb McCrimmon (Ripple - remote)

15 David Campbell (videographer)

16 James Beall (hotseat)

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1 A. Yes.

2 (Hinman Exhibit 10 was marked
3 for identification.)

4 BY MR. FIGEL:

5 Q. Let me show you what I'll ask the court
6 reporter to mark as Exhibit 10, which is EE in the
7 outline. Would you mind handing that to the court
8 reporter?

9 A. Hand it to the court reporter?

10 Q. Yes.

11 Mr. Hinman, I'm confident that you're
12 familiar with this document.

13 A. I am.

14 Q. I'll represent to you this is a copy of
15 your June 14th, 2018 speech that was taken off of
16 the SEC Website. You'll see at the top it's
17 entitled "Speech," and it says "Remarks at the
18 Yahoo Finance All Markets Summit: Crypto."

19 You were the author of this speech?

20 MR. TENREIRO: Object to form.

21 A. Yes.

22 Q. And you were responsible for the content

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1 of this speech?

2 MR. TENREIRO: I object to form.

3 A. Yes.

4 Q. And you prepared this speech as part of
5 your duties as the director of the division of
6 corporate finance, correct?

7 A. Again, I'm not sure I had a duty to
8 provide a speech, but I did do this speech while I
9 was the director, yes.

10 Q. You prepared this speech as part of the
11 services you provided to the Securities and
12 Exchange Commission in your capacity as the
13 director of the division of corporate finance,
14 correct?

15 A. I gave this speech while I was the
16 director of the division of corporation finance.

17 Q. And you knew that this exhibit, we're now
18 talking about Exhibit 10, the document, was posted
19 on the SEC's Website, correct?

20 A. Yes.

21 Q. And you understood -- withdrawn.

22 And did you understand prior to the time

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1 you delivered this speech that it would be posted
2 on the SEC's Website?

3 A. I think I did, yes. Normally we would
4 think about that in advance.

5 Q. Was it your decision to post the speech on
6 the SEC's Website?

7 A. Yes.

8 Q. And tell me what the process is by which
9 you made the judgment or the determination to post
10 the speech on the Website.

11 MR. TENREIRO: I'm going to instruct him
12 not to discuss deliberation with staff or
13 commissioners or their counsel. So you might want
14 to rephrase. I mean, the process by which he made
15 the judgment? I don't know, but go ahead.

16 A. Do you want to rephrase?

17 Q. Why don't you try to answer my question.

18 A. Could you repeat the question?

19 Q. Sure. I'll rephrase it slightly.

20 Why did you decide to post Exhibit 10 on
21 the SEC's Website?

22 MR. TENREIRO: And just, you know, the

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1 same instruction, but go ahead.

2 A. Typically if I gave a speech while I was
3 the director I would have it posted just to
4 benefit, you know, the folks who wanted to see it
5 who couldn't go to the conference or hear the
6 remarks live.

7 Q. And what benefit did you think folks who
8 didn't attend the conference would obtain from
9 having access to your speech?

10 MR. TENREIRO: Same instruction,
11 Mr. Hinman.

12 A. I think they would be able to see how the
13 division under my leadership was looking at these
14 issues.

15 Q. And you didn't personally post the speech
16 on the Website, correct?

17 A. That's right.

18 Q. There was somebody in the IT department at
19 the SEC who would post it?

20 A. That's right.

21 Q. And did you review it before it was
22 posted, this version?

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1 A. I don't know if I reviewed the actual
2 document that was handed over to IT, but I would
3 have looked at -- I've looked at this speech many
4 times before then and my counsel may have been the
5 folks that delivered this to IT.

6 Q. And presumably you had the opportunity to
7 review your speech prior to your testimony today?

8 A. Yes.

9 Q. Are there any statements in Exhibit 10
10 that you do not believe to be accurate as you sit
11 here today?

12 MR. TENREIRO: Without disclosing
13 deliberations with the staff that might have
14 occurred after the speech was published on the
15 Website.

16 A. I don't believe so.

17 Q. So in other words, if you were releasing
18 the speech today and you were still serving as the
19 director of the division of corporate finance,
20 would you edit this speech in any way before you
21 gave it?

22 MR. TENREIRO: Object to form.

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1 a whole host of things covered here.

2 Q. Did you think this -- withdrawn.

3 Did you believe this speech provided
4 clarity to the market with respect to the
5 application of the federal securities laws to
6 digitalize the transactions?

7 MR. TENREIRO: So same instruction on
8 deliberative process and also object to form.

9 A. I think it provided clarity as to how I
10 was looking at these issues.

11 Q. And did you have an -- withdrawn.

12 Did you believe that was new information
13 to the marketplace?

14 MR. TENREIRO: Same instruction.

15 A. I think how I felt about things or the
16 framework I had in my mind was, you know, not --
17 wasn't something I had published in a speech
18 earlier.

19 Q. And what about -- what are the things or
20 the framework that you had in your mind that you
21 communicated in the speech that you had not
22 published or stated earlier?

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1 A. Okay.

2 Q. Directing your attention to the e-mail you
3 sent to Joe Lubin that's reflected on the page of
4 Exhibit 17 that ends with 1454, do you see "Wrote
5 to Mr. Lubin at 2:06 p.m."?

6 A. Yes.

7 Q. Did Chairman Clayton ask you to reach out
8 to Mr. Lubin?

9 A. Not to my recollection.

10 Q. All right. Let's go back. I think we
11 were on EE, which is your speech.

12 A. All right.

13 Q. All right. Mr. Hinman, I'm directing your
14 attention to Exhibit 10, which is your speech.
15 Your speech included remarks that you included in a
16 declaration in support of Mr. Tenreiro's efforts to
17 quash your deposition in which you stated at
18 paragraph 11 "I began the speech with the following
19 disclaimer. My remarks are mine alone, not
20 necessarily those of the commission, the
21 commissioners, or the staff."

22 Is that -- I'll represent to you that's

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1 what it says. That was a statement you made under
2 oath, correct?

3 MR. TENREIRO: Object to form. Go ahead.

4 A. Yes.

5 Q. And when you said your remarks were yours
6 alone, what did you mean by that?

7 A. That these would be my remarks. We as a
8 very standard practice whenever an SEC official
9 speaks provide a statement to that effect.

10 Q. Well, were these statements your
11 statements alone?

12 MR. TENREIRO: These statements, Reid?

13 MR. FIGEL: I'm sorry. In Exhibit 10.

14 A. The speech reflects my thoughts. I'm
15 comfortable with the speech reflecting my thinking.

16 Q. But were they your statements in your
17 individual capacity alone?

18 MR. TENREIRO: Object to form.

19 A. They are intended to be a speech of my
20 thoughts in the space. Other people may share
21 similar views.

22 Q. If I could direct your attention to page 4

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1 of 6 of your speech and in particular the second
2 full paragraph on page 4 of 6 beginning with
3 "Promoters and other market participants"; do you
4 see that?

5 A. Sure.

6 Q. Could you read the first two sentences?

7 A. "Promoters and other market participants
8 need to understand whether transactions in a
9 particular digital asset involve the sale of a
10 security. We are happy to help promoters and their
11 counsel work through these issues."

12 Q. That's it, two sentences. Thank you.

13 Why did you say that promoters and other
14 market participants need to understand whether
15 transactions in a particular digital asset involve
16 the sale of a security?

17 MR. TENREIRO: Without disclosing
18 deliberations.

19 A. I think it's important for promoters,
20 other market participants to understand if they
21 involve the sale of securities so they can comply
22 with the security laws.